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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

JANUARY 23, 1967

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Tourists — here docking at Aruba — are largely responsible for the southern Caribbean's growing market for food and agricultural products. Article starting on opposite page covers the potential for U. S. farm exports to the area.

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Orville L. Freeman, Secretary of Agriculture

Dorothy H. Jacobson, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

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Outlook Good for U.S. Farm Exports to Caribbean Area

Expanding economies, a booming tourist trade, and even the push toward self-sufficiency can add up to bigger dollar sales for aggressive U.S. traders.

On October 31 Foreign Agriculture *carried a preliminary report on the potential for U.S. agricultural exports to the southern Caribbean. Based on an on-the-spot survey, the report cited some factors that warrant greater attention to the area on the part of U.S. firms and some of the products that could be marketed given sufficient regard to sales servicing and promotion. Here, the survey team reports in greater detail on the potential for specific U.S. agricultural commodities and processed foods in Barbados, Trinidad and Tobago, Curaçao, Aruba, Surinam, Guyana, St. Kitts, and Jamaica.*

Two forces at work in the southern Caribbean could spell bigger dollar sales for U.S. agricultural exporters who recognize and service them.

Over a half million tourists invade the area annually, demanding quality foods in the growing number of hotels and restaurants built to accommodate them. The tourist business is beefing up local economies, so that residents, too, want more and better food. With local production incapable of meeting this demand, imports have to fill the gap.

At the same time, these countries are trying to reduce their dependence on food imports—beginning in most cases with meats and dairy products. To build up livestock, poultry, and dairy industries requires quality breeding stock and feed, both of which the United States is capable of supplying.

Compared to Western Europe or Japan, the southern Caribbean market is small—taking about $30 million in U.S. agricultural products in 1965. In some cases, historical ties with Europe contribute to keeping the U.S. share down. Jamaica, St. Kitts, Barbados, and Trinidad belong to the British Commonwealth and grant preferential tariffs to fellow members. Curaçao, Aruba, and Surinam, united under the Dutch Crown, are associated with the EEC. These three countries are more accessible than those in the Commonwealth because of more liberal tariffs. But as all of them continue to loosen ties with the Europe of their colonial pasts, they will look within their own hemisphere for more of their agricultural imports.

The United States can tap the full potential of the southern Caribbean market only if some self-imposed barriers are removed. Surface rates from U.S. ports are high, as are U.S. port handling charges. U.S. exporters are unwilling to quote c.i.f. prices. Exporters are also reluctant to handle the small quantities often required by these countries, even though the size of orders is bound to grow as economies expand. And U.S. suppliers lack export hunger, while Canada, Australia, New Zealand, and other competitors are aggressively promoting their products and servicing the market.

For many products, what the southern Caribbean needs is "a full market basket," small quantities and a continuous supply of a wide variety of foods. U.S. suppliers able to meet this need—perhaps through combined export companies—will see growing dollar returns. The use of containers and the rapid development of air cargo should enable the United States to serve this market better.

The outlook for selected U.S. commodities follows:

Livestock—The Government of Jamaica has imported about 1,900 Holstein heifers from the United States in the past 2 years with an extremely low mortality rate. Under a dynamic program to develop the island's dairy industry, it will probably need several hundred more in the next few years.

Trinidad's government hopes to see the country self-sufficient in dairy production in 15 years. Its plan envisions 15 acres and 15 cows per farmer by that time. To realize this aim, the government intends to import 9,000 head of dairy cattle, while private interests are likely to purchase about 18,000. Canada—the only country giving direct economic aid to Trinidad—will receive preference in government purchases, but some effort on the part of U.S. producers could win them a share of nongovernment imports.

Promotional efforts by U.S. suppliers could also stimulate some dairy cattle sales to Barbados, where chief

Inhabitants of Surinam's jungles and interior regions arrive in dugout canoes to trade at the market in Paramaribo, the country's capital and commercial center.

competitor Canada is actively pushing breeding stock. The country's Agricultural Development Corporation is taking 40 head from Canada and might buy from the United States if U.S. prices were competitive.

Both Guyana and Surinam could become good markets for U.S. beef breeding cattle. This is especially true of Guyana. Of late, imports have included Santa Gertrudis from Texas and Brahmans from Louisiana.

Immediate interest in breeding gilts and feeder pigs is evident in Trinidad, which will need an estimated 7,000 to 8,000 head to become self-sufficient in pork. Although the country is now importing gilts from Canada because of a soft loan, buyers are looking to the United States and would like quotations on U.S. Yorkshires and Chester Whites. Trinidad imposes no duty on imported breeding stock.

The Netherlands Antilles islands of Curaçao and especially Aruba offer potential for U.S. breeding pigs and milk goats. Most popular hog breed is the Landrace, and bred gilts are currently imported from the Netherlands.

Meats and meat products—Quality cuts of beef, pork, veal, and lamb are generally in demand among the hotel and restaurant trade of the southern Caribbean islands. Guyana and Surinam, which lack the tourist trade, are more interested in pickled and sterile canned meats, including pickled beef and pork, salt beef plates, and pickled beef navels. In Surinam, barreled beef enters duty free if packed above 10 kilograms (about 22 lb.)

Barbados has a growing and as yet unexploited market for inexpensive cuts of lamb and could absorb more offals (liver, tongue, kidney). U.S. offals find a ready market, too, in Trinidad, which also takes smoked picnics and pickled meats from the United States. Here, all these U.S. meats are priced competitively with those from other suppliers. In Jamaica, all red meats and variety meats can be imported freely. Australia and New Zealand supply most of the carcass beef, and best potential for the United States lies in pork products—smoked hams, bacon, and pickled pig parts—and portion-cut meats for hotels and restaurants.

Importers in Aruba and Curaçao, where American meat products are popular and competitive in price, are looking for additional suppliers of pickled beef and pork parts. Other U.S. meats in good demand include variety meats like liver and tongue, goat legs, cow tenders, and smoked hams and picnics. As tourism increases, so will the demand for quality cuts.

Dairy products—Lack of a local milk supply, coupled with growing demand from both residents and tourists, assures a rapid, continuous rise in dairy product imports into Curaçao and Aruba. These islands have no licenses, quotas, customs surtaxes, consular document requirements, nor trade controls on dairy product imports. The United States is the chief supplier of baby and dietetic foods, fluid milk, and cream. Until the programs under which export subsidies were provided for Cheddar cheese, butter, and nonfat dry milk were temporarily terminated, the United States also supplied Curaçao and Aruba with a large portion of their nonfat dry milk and anhydrous milkfat requirements.

Under present price conditions, the only U.S. dairy products with any possibility for sales in the Netherlands Antilles are dietetic and baby foods. Some possibility

Above, cattle graze in Jamaica, which is trying to improve its meat and dairy industries; right, coconut palms yield copra, Tobago's chief crop.

exists for increasing sales of fresh milk, cream, and ice cream to Aruba.

Preferential duties and exchange advantages give Commonwealth countries an edge in supplying dairy products to Jamaica, Barbados, St. Kitts, and Trinidad. However, specialty cheeses—carried extensively by hotels, restaurants, and better stores—offer some sales potential in both Jamaica and Barbados.

A cooking butter imported chiefly from Norway and Ireland is popular throughout the Caribbean. Highly salted and colored, it contains 75 percent milkfat. Since the major suppliers are outside the EEC and the Commonwealth, preferential treatment would not be a stumbling block for U.S. exports of this type of butter.

Poultry and poultry products—Poultry production is expanding rapidly throughout the Caribbean. As feed handling and manufacturing facilities are improved, this growth will be accelerated. In the push toward self-sufficiency, several countries—including Jamaica, Trinidad, Guyana, and Barbados — are restricting imports, especially of whole chickens. Potential for U.S. sales in these markets lies in building up demand for poultry parts, turkey, duck, and specialty poultry items.

Jamaica embargoes imports of all poultry meat except backs and necks. Turkeys, ducks, and cornish hens are on license, but to date licenses have been issued freely. Promotion could take turkey out of the holiday-food category and make it year-round fare. Although a preferential duty and exchange advantages favor Canadian turkey, U.S. birds are priced competitively.

Guyana, Trinidad, and Barbados likewise embargo imports of whole chickens, although in Barbados the restriction applies only to birds under 4 pounds, dressed weight. In all three of these countries, the outlook for U.S. turkeys is promising. The United States could also sell ducks in Guyana, backs, necks, and wings in Trinidad, and more chicken parts in Barbados.

Poultry imports are not embargoed in St. Kitts, Surinam, Curaçao, and Aruba. In St. Kitts, where fowl is not subject to duty, U.S. poultry is highly competitive and claims the biggest share of poultry imports. Practically all of Surinam's whole chicken imports are from the United States, and U.S. backs and necks enter duty free at the rate of about 10-15 tons a month. Growing commercial broiler industries in Aruba and Curaçao are sup-

Above right, tourists shop on a narrow street in Curaçao and, right, help themselves to a buffet supper at a resort hotel in Montego Bay, Jamaica.

plemented by imports of U.S. poultry—broilers, fryers, and parts.

The United States can capitalize on the growth of local poultry industries by continuing to supply baby chicks and hatching eggs. These account for about 35 percent of U.S. poultry exports to the entire Caribbean area. When the area first began to develop poultry production, hatcheries were lacking and chicks were flown in from Florida. Now these countries are doing their own hatching, and the demand for eggs is exceeding that for chicks.

Surinam imported 674,000 baby chicks in 1965, all flown in from the United States. This market is expected to continue strong, as is that for both chicks and hatching eggs in neighboring Guyana. In Barbados, almost all chicks are hatched on the island from eggs imported largely from the United States. Trinidad's imports of U.S. chicks and eggs were temporarily cut back because of a poultry glut, but the United States is expected to take 100 percent of the market when it reappears. Aruba and Curaçao also import U.S. chicks and eggs.

Feedgrains and feed ingredients—These rank among the top items the United States can supply to the southern Caribbean countries as they expand their livestock, dairy, and poultry industries. Trinidad, where facilities are available for unloading bulk grain, shows the best potential for increased feed use. This country takes most of its imported feed ingredients from the United States and manufactures about 50,000 tons of mixed feeds annually. Of the 30,000-35,000 tons of corn imported about 75 percent is of U.S. origin. The United States should continue as Trinidad's main source of feedgrains, feed additives, protein meal, and feed concentrates.

Barbados, Curaçao, Aruba, Guyana, and Jamaica, unlike Trinidad, are not equipped to import grain in bulk, although the latter three are planning to develop bulk unloading facilities. Guyana takes all its feed concentrates from the United States but divides its corn purchases between this country and Canada. Barbados buys most of its animal feeds from Argentina. Since Argentina and the United States face the same duties, the potential for U.S. sales here would be excellent if U.S. c.i.f. quotations could be brought into line with those of its competitor. Aruba and Curaçao look to the United States for nearly their entire supply of corn, concentrates, and manufactured mixed feeds. The U.S. feed market in Jamaica should continue to grow with poultry, dairy, and pork production.

Wheat and flour—Surinam and Trinidad produce flour from hard wheats imported almost exclusively from the United States. In Surinam, domestically milled flour—accounting for three-fourths of the country's needs—has largely displaced imports from Canada. Thirty percent of the remainder must come from the EEC; the United States can expect to supply half or more this year. Surinam is also likely to take 8,000-8,500 tons of U.S. hard wheats in 1967, enough to run its mill at full capacity. In the next year or two, Trinidad's mill will be able to cover the country's entire baking flour requirement, displacing the 70 million pounds of Canadian and 50 million of U.S. flour imported annually. However, use of U.S. hard wheats is likely to rise.

Flour is the No. 1 U.S. agricultural export to Guyana, which takes about 73 percent of its total imports from this country. In Barbados, however, U.S. flour faces stiff competition from Canadian and Australia flour, though it

ranks among the United States top agricultural exports to the island.

Soft wheat flour from the United States is not competitive in the Caribbean, and countries using it for soda crackers buy from France.

Other grains, pulses—Beans, peas, and lentils are popular throughout the Caribbean. The United States has an especially good market for these in Surinam, Trinidad, Curaçao, and Aruba. In these last two islands, U.S. cornmeal and rice are big sellers, although rice from Guyana and Surinam is moving in on the market. Oat flakes from the United States are an important staple food in Guyana and Surinam.

Fresh fruits and vegetables—Efforts to meet fresh produce needs with local production have not been entirely successful, and imports are still needed to fill the gap.

Curaçao and Aruba take about half their imported fresh produce from the United States. Attempts at local production have been successful for cucumbers, tomatoes, and peppers, but the arid soil has been unreceptive to melons, beans, lettuce, sweetcorn, eggplant, and onions. The United States can expect more competition from Venezuela for the fresh produce market now that a ferry line connects that country with Curaçao.

Most fresh fruits may be imported freely into Jamaica. Vegetables, except onions, mushrooms, and other minor items, are embargoed, but hotels may import whatever they need for the tourist trade. U.S. grapes, peaches, apples, celery, lettuce, cauliflower, and carrots move into Guyana. Potential exists for including lettuce and onions among the vegetables Barbados takes from the United States—cabbage carrots, and tomatoes. Onions may find a ready market in Surinam and Trinidad.

Canned and processed foods—U.S. processed foods, including baby foods, pet foods, and canned fruits, vegetables, and juices, are popular throughout the Carribbean.

In Surinam, most supermarkets carry a wide variety. As this country's living standards rise, so should the volume of U.S. sales. In fact, one recently opened supermarket has a special section for U.S. foods. Trinidad now takes cannd peas, peaches, apricots, and plums from the United States, and potential is good for canned tomatoes and other fruits and juices.

In Aruba and Curaçao, both U.S. and Dutch canned and frozen vegetables are favored, but the islands look chiefly to the United States for canned and frozen fruits and juices. Here, 50 percent of imported processed foods come from the United States. Importers in these two islands, as well as in Barbados, are interested in consumer-sized packages of vegetable oil.

Tobacco—Much of the tobacco used by Caribbean cigarette factories is of U.S. origin. Curaçao's cigarette plant buys its total requirements from the United States, and Surinam's factory, 95 percent. In Jamaica, the United States may be able to supply some of the tobacco this country formerly imported from Rhodesia — averaging about 100,000 pounds a month.

Photographs on cover and pages 3-5 courtesy of Grace Line, Inc., Pan American Airways, and the Pan American Union.

OECD Begins Fruit and Vegetable Series

With a new publication on Spain, the Organization for Economic Cooperation and Devlopment (OECD) begins a series on fruit and vegetable production in member countries. Reports are being published at about monthly intervals on these other countries—Austria, Belgium, Canada, Denmark, France, West Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

Each publication covers one, two, or three countries, depending on the number of surveys made, and includes an overall view of the situation and prospects up to 1970; more detailed information on products of special importance, and a comprehensive analysis of production and marketing prospects for apples.

First to be covered in the series, Spain contemplates expansion in production of all types of fruits and vegetables between now and 1970. It also plans to modernize its marketing structure by setting up an up-to-date network with its own cold-storage system. Subsidies and other incentives will be provided to encourage construction of 18 new horticultural stations and to stimulate private initiative in this field.

For fruits, the biggest percentage increases in production are to be in apricots and peaches—about half of which should be processed by 1970—and tangerines. The annual rate of increase in orange production is estimated at 4 percent, with a larger gain in processing. Sizable advances are also slated for table grapes, almonds, and bananas and for such vegetables as French beans, asparagus, peas, and artichokes.

Already, production of fruits and vegetables is highly important to the Spanish economy, acounting for about 35-40 percent of the nation's "final agricultural production." The country is the largest exporter of citrus fruits —and second largest producer next to the United States. It is also important as an exporter of bananas (Canary Islands), dried fruit, grapes, tomatoes, early potatoes, and onions.

Copies of the *Production of Fruit and Vegetables: Spain* may be purchased in this country from the OECD Publications Center, Suite 1305, 1750 Pennsylvania Avenue, N.W. Washington, D.C. 20006. Price for the single publication is $2; for the series, $15.

Canada Grants $74 Million in Food Aid

Robert Winters, Canadian Minister of Trade and Commerce reports that Canada during the current fiscal year has granted US $74 million of food aid to developing nations. He added that Parliament was being asked for a supplementary appropriation of $25 million for additional wheat purchases.

Canada has programmed $70 million in food aid contributions for the coming year and, according to Winters, the country now becomes "the largest contributor per capita in relation to Gross National Production, of food aid in the world."

Problems and Prospects in Argentina's Agricultural Northeast

The article that follows is based on a first-hand investigation of the general economic and agricultural situation in Argentina's northeastern area by **Martin G. Schubkegel,** *Assistant Agricultural Attaché, and* **A. J. Flanagan,** *Third Secretary, American Embassy, Buenos Aires.*

The northeastern Provinces of Argentina—Entre Ríos, Corrientes, and Misiones—look to agriculture for their economic viability; and Argentina looks to its Northeast for a sizable portion of the output of several agricultural commodities, for export. The area provides nearly all Argentina's tung nuts, about a third of its flaxseed, and well over half its citrus.

These Provinces are confronted with persistent economic difficulties, chief among which are an undeveloped and inadequate transportation and distribution system and an extreme tightness of credit. In 1966, the farm economy of the region was additionally strained by the vagaries of weather, which resulted in disappointing outturns of some commodities and overproduction of others.

Developments in the Northeast's tung and flaxseed industries are of particular interest to U.S. producers and importers of tung oil and to U.S. linseed oil exporters. To some extent, the expanding citrus industry of the Northeast may also harbinger competition for U.S. exports.

Transportation, credit difficulties severe

Lack of land transportation has restricted economic interaction between the three Provinces, an exception being the fattening of Corrientes cattle in Entre Ríos. The poor road network (less than 10 percent paved) becomes impassable after the slightest rain. This has led agricultural and industrial producers to depend almost exclusively upon rail and water facilities. A shortage of railroad cars, however, has promoted a strong preference for the costlier but more reliable river transportation.

Official bank credit for both agricultural producer and manufacturer remains extremely tight in all three Provinces. This situation has lent vigor to the cooperative movement. In addition to almost one hundred credit cooperatives, numerous agricultural cooperatives have been established. These, besides helping with harvest loans, perform distributing functions in order to obtain the best possible selling prices from the big buyers.

Central Bank credit is largely destined for the livestock sector (50-70 percent) and for crop financing (15 percent). The Bank's loans for agricultural purposes are mainly to assist distributors' and refiners' payments to the producers. In its loan program, the Bank encourages the distributor and refiner to sell the product quickly in an effort to reduce interest payments; for repayment on the principal starts after export.

Tung oil a marketing problem

In Misiones Province, producing over 95 percent of Argentina's tung crop, the industry inherited thorny economic problems with the record 1966 tung nut harvest—officially placed at 174,000 metric tons but estimated by the trade as probably closer to 180,000.

A key question is whether to market as much as possible of the expected record oil outturn or to maintain large stocks for years when world tung oil supplies are less abundant. The latter course involves the expansion of existing storage facilities to accommodate 1966 oil as well as some of the oil to be processed from the 1967 nut crop. The current country-wide capacity is estimated at 24,000 tons, of which members of the Federation of Tung Cooperatives control only 75 percent.

Other problems are the continuing competition of lower priced oil from Paraguay and the fact that the four oil boats plying the Paraguay River to Buenos Aires must serve the tung industries of both countries.

This year's nut harvest will be considerably smaller than last year's, owing partly to tree exhaustion from producing a record crop without fertilizers. Many unproductive trees have been cut down, though these tend to be replaced by seedlings of higher yielding varieties.

Flaxseed production down

In output of flaxseed, Entre Ríos is exceeded only by the Province of Buenos Aires. No other Province, however, had a greater reduction in planted area in 1966 than Entre Ríos; its acreage dropped by 37 percent against the national average decline of 24 percent. Though dry weather during seeding time discouraged producers, better opportunities for profits in other commodities—principally wheat—were also a decisive factor.

In the southwest section of Entre Ríos, rains in November—the first since July—came too late for material benefit to the crop outlook. The eastern half of the Province, however, received adequate moisture, so that on balance, Entre Ríos production may reach 155,000 tons (208,000 last season), conservatively estimated. Better prospects in Buenos Aires could offset this decline.

Citrus overcoming 1966 setback

Earlier appraisals of 1966 frost damage to citrus (principally oranges) in Entre Ríos and southeast Corrientes proved more alarming than the reality. Though output did decline some 40 percent in the two Provinces, production this year is expected to rebound to more normal levels. The largest processing firm in the Northeast foresees 3 million boxes (of 57 lb.) in Misiones, a 5-percent increase; 18 million in Entre Ríos, a doubling; and 4 million in Corrientes, roughly the same as last year.

Entre Ríos is the area to watch for production expansion. Of its 8 million trees, only half are now in production; the others will begin reaching maturity in 2 years. Entre Ríos producers, with their more extensive use of fertilizers and the better prices they receive, have an advantage over others in the Northeast.

What is happening in Entre Ríos—and perhaps in other Argentine citrus zones—could affect the country's export potential. At the moment, Argentine orange concentrates must buffet a price barrier raised in Western Europe by less costly products like those of Brazil. Argentina's concentrate, therefore, has been used largely for blending, because of its preferred color and flavor. Sufficient increases in citrus output to keep processing plants running at full capacity, combined with the strengthening of the peso, could for the first time enable the country to compete in price with other suppliers.

Korea Today: Both Agriculture and Industry Are Expanding

By CLARENCE E. PIKE
Foreign Regional Analysis Division
Economic Research Service

The Republic of Korea has come a long way from the war-torn, poverty-stricken country of the mid-1950's. Today, although there is considerable unemployment and the annual per capita income still averages only about $110, the general well-being of the South Korean people shows marked improvement. Also, the country's economic growth, based largely on industrial expansion, has ranged around 8 percent in each of the last 3 years, and the outlook is that this rate will be sustained or possibly raised.

Despite this industrial expansion, Korea's economy is still based on agriculture. The country's cultivated area totals over 5 million acres, and farming is the way of life and main support for some 60 percent of its 28 million people.

Agricultural output high

Farm production reached a record level last year as a result of generally favorable weather and basic agricultural improvements. In recent years too, there has been a moderate increase in the agricultural land base. This has been accomplished principally through land rearrangement schemes. Steep hillsides have been converted into cultivable fields through bench terracing, and some of the low-lying coastal areas have been reclaimed.

Yet much of the credit for the rise in farm output must go to the Korean farmer, who is generally an intelligent, literate, and hard-working individual and who has shown himself willing to accept the new techniques that the government is fostering through its agricultural extension service, with the help of U.S. AID technicians. In recent years there has been a very definite increase in the use of fertilizers. Insecticides and pesticides are now widely employed, and some expansion and improvement of the country's irrigation system has taken place.

Rice and barley leading crops

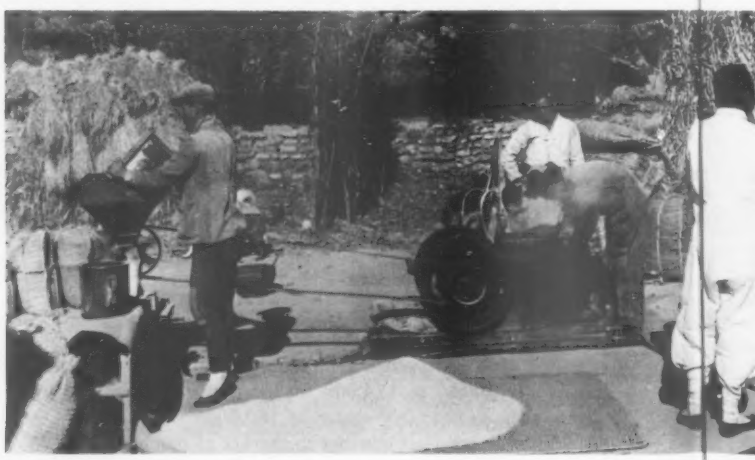
Rice dominates the agricultural economy of Korea. This crop alone accounts for over half the total value of farm production, and generally the country is self-sufficient in rice—in fact, in some years it has been in the position to export small amounts. Paddy production for 1966 is now estimated at a record 5.9 million metric tons compared with 4.8 million in 1965 and the previous record of 5.4 million in 1964.

Rice exports go chiefly to Japan. Some 60,000 metric tons were exported from the 1965 crop, but last August shortages began to appear, and it was necessary for Korea to purchase 30,000 tons of milled rice from Taiwan before the bumper 1966 crop was harvested and available for consumption.

Barley is Korea's second most important crop. Production in 1966 was close to 50 percent above the 1965 harvest of 1.3 million metric tons. Barley is consumed mainly as a substitute for rice and traditionally has been the basic food of those who could not afford rice. Consequently, as incomes rise barley consumption tends to decline as consumers switch from barley to rice.

This is the second of a series of articles on the agriculture and economy of four Asian countries—Taiwan, South Korea, Burma, and Indonesia.

Left, Korean farmer plows his rice paddy preparatory to planting seedlings. Below, threshing rice with a machine operated by gasoline motor. Rice is Korea's main crop.



In 1967 it is expected that some barley land will be planted to vegetables or other crops in greater demand. Both sweet and white potatoes are important crops, as are soybeans. The climate of Korea is well suited to the growing of vegetables, and the whole range of vegetables common to the world's temperate zones is produced and consumed. Fruits and nuts are rapidly increasing in importance. As one travels about the country young orchards are to be seen almost everywhere, many of them on rough land unsuited to crops.

Industry moving ahead

Korea's industrial output increased by 17 percent in 1965, and this level was very likely equaled or even exceeded last year. Largely responsible for this rapid industrial growth are first, the Korean people's energy and newly developed skills, and second, the generous outside help that Korea has received, most of it from the United States.

Over the past 20 years American economic aid has totaled more than $4 billion, and the inflow is still sizable —nearly $200 million in 1965 excluding military support. Also, over the next 10 years South Korea will get some $800 million in Japanese Government grants and loans and in private Japanese credits under the provisions of the reparations agreement reached between Japan and Korea in 1965.

Japanese business firms are keenly interested in the opportunities offered by Korea. As of last October, there were 81 Japanese trading companies in Korea—seven times as many as a year earlier. These businesses are making substantial investments and creating new jobs. There is, however, still some bad feeling between the Korean and Japanese peoples dating back to the days of Japan's colonial rule which ended in 1945.

An unexpected boost for the country's booming economy has been United States spending for the war in South Vietnam. Korean plants are now turning out such items as jungle boats, cement, truck tires, and steel plates. Moreover, these and a wide range of similar items are also finding wide acceptance in world markets. Korean labor rates are quite low, making it relatively easy for the country's products to compete.

The export and import picture

Korea's exports in 1966 were probably close to $250 million, a 50-percent increase in 2 years. The target for 1971, which is generally considered realistic, is $500 million. Agricultural items do not loom large at present nor are they expected to in the future. Silk, rice (in years of good harvest), and hogs are the main agricultural exports. In 1965 the United States imported $10 million worth of the country's agricultural products.

With regard to imports, Korea's purchases in 1965 totaled $450 million, of which capital goods accounted for a substantial part. Imports are strictly controlled, and there is a long list of so-called luxury items which are prohibited. Grains (principally wheat and wheat flour) and raw cotton have been the main agricultural imports.

In the past, most of the agricultural imports have been financed under Title I, Public Law 480. In 1965, the United States exported to Korea agricultural commodities valued at $96 million, of which $77 million was under government programs. That year commercial sales at $19 million were double those of 2 years earlier.

A future market

It will be a long time before Korea reaches the level of an affluent society, but the purchasing power of the people is expected to increase steadily, with the result that more money will undoubtedly be spent for food and clothing. Future agricultural imports may be largely restricted to raw cotton, wheat and wheat products, and processed and packaged goods not produced in Korea. In the years ahead there should be a moderately expanding market for these items, and Korea can be expected to progressively improve its ability to finance such imports from its own foreign exchange earnings.

Korea has increased its cultivable land by terracing many of its steep hillsides, as shown below. Some coastal areas have also been reclaimed.

Booming Airfreight May Help Expand Agricultural Exports

One complex question commanding the attention of Foreign Agricultural Service specialists in market development is: How can this country's rapidly developing airfreight capability be used to help establish and build export markets for U.S. agricultural products?

Airfreight traffic has boomed in recent years, internationally as well as domestically. From 1960 to 1965—a period that saw the start of scheduled jet freighter service—the total annual Free World scheduled international airfreight shipments increased from 705 million ton-miles to 1,773 million.

By 1970, international airfreight shipments are expected to reach 6,400 million ton-miles. The main reason for the expected upsurge is the coming into service of larger and larger jet airfreighters.

These new aircraft will not only be able to carry a much greater volume of freight than airfreighters now in commercial service, but they will also be easier and faster to load and unload. And they will be able to accommodate containerized cargo on a large scale.

Today, agricultural shipments make up only a small percentage of commodities distributed internationally by air. Floral products, fruits and vegetables, some live animals, nursery stock, and seeds apparently constitute most of this movement.

Some of the developments in U.S. airfreight capacity and facilities that could help expand international agricultural marketing are discussed in the following article. It has been extracted from a speech presented recently by J. Kenneth Robertson *of National Economic Research Associates, Inc., a New York consulting firm, to an FAS market promotion group.*

Twenty-one years ago this month the first transatlantic all-cargo air service was established between the United States and Europe. The service was flown in a 4-engine D-4, an aircraft with speed and capacity about one-third that of a modern jet freighter.

Since then aircargo has developed at a healthy rate on most of the world's air routes, particularly on those over the North Atlantic. By 1965 there were 18 airlines operating on North Atlantic routes, transporting 177,600 tons of cargo during the year. The average annual rate of increase in cargo carried on these routes from 1947 to 1965 was 29 percent.

Worldwide, ton-miles of cargo flown increased annually at an average rate of 18.4 percent during this same period, nearly 3.5 billion ton-miles being performed in 1965.

The future for aircargo looks very bright. Most forecasters believe the current rate of expansion will hold fairly stable for the next 5 to 10 years. The International Civil Aviation Organization forecasts that world traffic will be triple the 1965 volume by 1970, be seventeen times the 1965 volume by 1980.

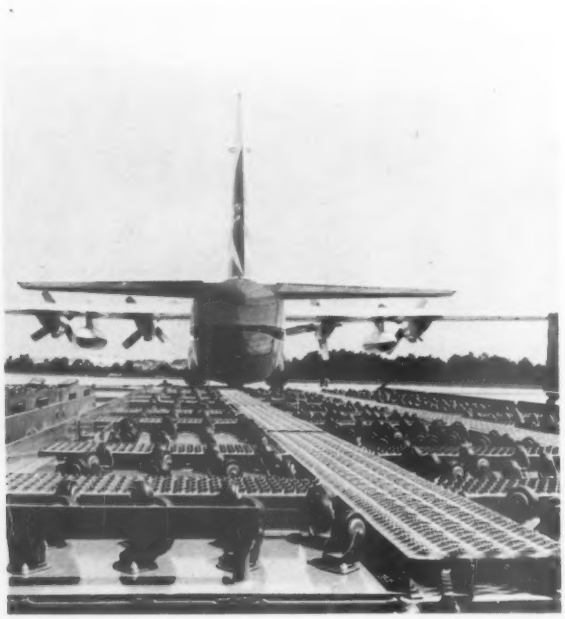
Today's aircargo carriers

Most commercial aircargo service today is flown in combination aircraft—planes that can carry both passengers and freight. The two planes most widely used on North Atlantic runs are the DC-8 and the B-707.

With the normal arrangment of space and equipment within the plane to accommodate passengers and cargo these aircraft can carry 10 to 14 tons of freight. More and more, however, they are being configured for all-cargo service.

As a freighter, the B-707 can carry 48 tons of freight and is equipped with roller conveyor systems that allow palletized cargo. It will accommodate thirteen 88- by 125-inch pallets, which can be loaded onto the plane through a freight door in its side; unloading and reloading

Below, standard-size freight containers are transferred from L-200 airfreighter to truck. Right, L-100 and castered transporters (foreground), which speed loading and unloading of palletized cargo and van containers.



can be accomplished in about 1½ hours. The pallets may be either palletized containers or a consolidated load of many small cartons. In addition, the plane has cargo space below the main cargo deck.

The DC-8 has about the same freight capacity and handling system as the B-707.

Another type of airfreighter in commercial service is the so-called swing-tail aircraft. This plane—a turboprop —has a hinged tail section that swings back to allow straight-in loading and unloading of oversized cargo. It will accommodate about 32 tons of palletized freight.

There are 150 jet-powered and 25 turboprop airfreighters in service with U.S. airlines today; an additional 57 are on order for delivery within the next year or so. Most of these airfreighters are used on domestic cargo routes in the United States and for charter service to the military in Southeast Asia. Only about 15 percent are used for North Atlantic cargo service.

Some of the aircraft that will carry commercial cargo in the future will undoubtedly be of types in military cargo service today.

One of these, the L-100 — primarily an Air Force freighter—is already in use with one U.S. commercial airline. The L-100 can carry 24 tons of freight and can accommodate 8- by 8-foot van containers of 10-, 20-, and 40-foot lengths as well as palletized cargo. These are the same van containers that are used in piggyback service today on truck, ship, and rail cars. With the conveyor-deck handling system, 24 tons of freight either in containers or on pallets, or in both, can be unloaded in less than 15 minutes.

Another airfreighter, the L-200, can carry a little over 36 tons of containerized cargo or unitized cargo on standard pallets. The cargo compartment is 70 feet long and will accommodate one 8- by 8- by 40-foot container plus two 8- by 8- by 10-foot containers and still have space for additional freight. There are more than 150 of these aircraft in operation with the U.S. Air Force today. Some of the all-cargo carriers have shown interest in obtaining commercial versions of this freighter.

Tomorrow's jumbo jet freighters

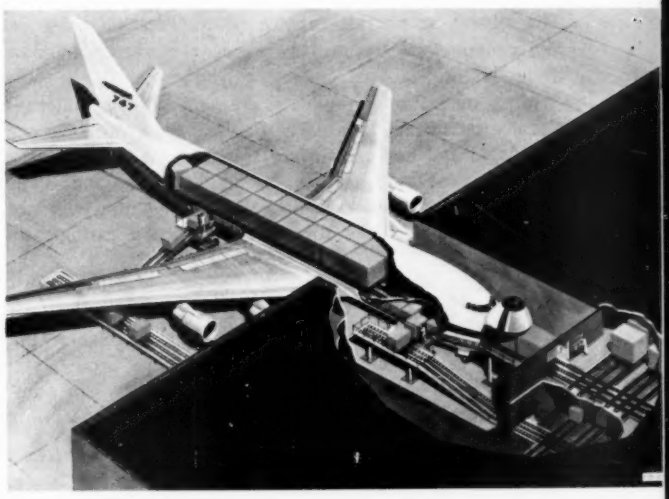
By 1970 we will begin to see jet freighters that will thrive on huge cargo volumes.

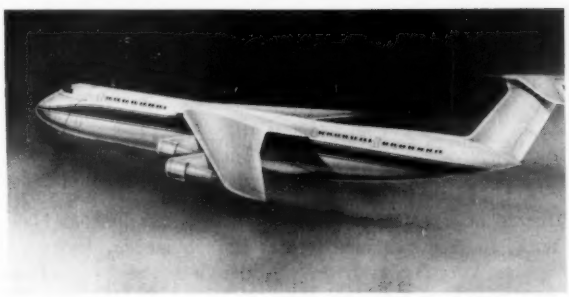
One of these for which orders are now being taken—the B-747—will be capable of carrying 107 tons of cargo on transatlantic runs, nearly 2½ times the capacity of today's transatlantic airfreighters. It will accommodate standard 10-, 20-, or 40-foot van containers or twenty-four 88- by 125-inch pallets, nearly twice as many as the B-707.

Another jumbo freighter that could be introduced into commercial cargo service is a version of the military C-5A. This freighter—the L-500—could lift 125 tons of freight on transatlantic flights and could carry thirty-two 88- by 125-inch pallets or double rows of 8- by 8-foot containers of 10-, 20-, and 40-foot lengths.

Advantages of shipping by air

The most appealing aspect of airfreight can be summed up in one word: speed. Speed translated into time often means savings in distribution costs or increases in sales, or both, to aircargo shippers. Speed allows shippers to be more flexible and responsive to both favorable and unfavorable shifts in conditions in markets they serve.





Two of tomorrow's jumbo airfreighters, which will thrive on huge cargo volumes. Top, artist's conception of B-747 being loaded by means of an in-plant conveyor system. Below, the L-500, commercial version of the military C-5A.

Because the airfreighter can cover great distances quickly and easily it can offer daily service to international shippers. This may mean a more orderly and more smoothly functioning distribution system. The results could be more efficient operation of production facilities and lower production costs.

The use of aircargo can reduce or eliminate the need for maintaining large inventory stocks and warehousing facilities. The resulting reduction in costs may more than offset the cost of aircargo service.

Airfreight distribution can extend the product's market life. It also aids in the promotion of new products by making them quickly available. The normal lag time associated with surface transport is eliminated, thus securing sales for the shipper that might have been lost otherwise.

Shipping by airfreight minimizes the cost and lost time of stockout, equipment breakdowns, and similar emergencies that all companies engaged in international trade face from time to time.

The ability of airfreighters to transport cargo on pallets offers a big advantage to shippers. Palletizing the cargo reduces the number of individual handlings a shipment may receive, thus reducing chances of damage to cargo, or loss. Palletized freight also leads to more efficient handling and reduction in labor cost at airport terminals.

The advent of aircraft capable of transporting cargo in van containers will mean even greater efficiency in handling freight.

Most agricultural products are still shipped internationally by surface transport. Because these products are perishable and because surface transport takes many days at best, some refrigeration, dehumidification, and other preservative measures are needed. Airfreighting will not eliminate the need for these services, but it can greatly reduce them.

For example, a shipment that originates in St. Louis bound for Frankfurt, Germany, takes 8 to 9 days to get there by surface transport at best. By airfreighter the shipment can be completed overnight. The product arrives in peak market condition and generally can command premium prices. Only minor preventive services are needed on the overnight trip.

Areas where improvements are needed

- Handling at terminals. At present, agricultural products are moved through airline cargo terminals quickly and efficiently and are in the hands of receivers within a few hours after they arrive. However, cargo terminals at many airports are inadequate for handling any increased volume.

The airlines recognize this problem and are expanding facilities as rapidly as possible.

- Facilities for frozen foods. Except for one small freezer at a recently completed cargo terminal in New York, air terminals lack freezer storage space.

Also, cargo aircraft cannot maintain the proper environment for these products during transit.

- Freight costs. Most shippers view the relatively higher rates of aircargo as compared with surface transport as a disadvantage. Many products cannot bear the added expense and therefore should not be distributed this way.

However, in figuring comparative costs, shippers may overlook the total distribution costs of the two systems. To figure cost of surface transport, one must add to the relatively lower ocean rates the cost of inland transportation, intransit storage, packaging, and other related handling expenses.

The reduction of many of these expenses often offsets the higher aircargo rates.

Rates established for various products

Although very few types of agricultural products are shipped internationally by aircargo, commodity rate classifications have been established to accommodate many types. One airline has rates for 37 classes of food products, 10 classes of live animals, and 13 classes of floral and nursery stock.

Following are some rates that apply from New York to Paris, France:

	Cents per pound	*Minimum weight in pounds*
Fruits and vegetables	17	1,100
Clams, oysters, scallops	23	1,100
Fish	32	200
Meat and poultry	18	2,200
Hatching eggs	24	4,400
Floral and nursery stock	33	1,100
Bovine calves	38	2,200

A 12-percent discount is allowed on many products if they are shipped in containerized lots.

Future rates may be lower

If jumbo jets prove to be as efficient as their technology promises, their coming into service should bring a considerable reduction in aircargo rates.

The B-747, for example, is thought to be capable of reducing direct cargo ton-mile costs by 35 percent, which should lead to rate reductions of at least 25 percent. In domestic use its manufacturer expects it to be competitive on a rate basis with long-haul trucks. The manufacturer of the C-5A also expects that direct operating costs could be reduced substantially by this aircraft.

With the future potential for greatly reduced aircargo rates coupled to the speed and efficiency of the jet airfreighter, perhaps the highways of tomorrow for cargo will truly be the sky.

Ireland Buys U.S. Angus Breeding Stock

Ireland's first imports of U.S. Angus breeding stock—4 bulls and 21 heifers—were announced last month by the Irish Department of Agriculture and Fisheries. The cattle, being readied for shipment in March, were selected and purchased by a 3-man team from the Department during a visit to the United States. Purchases were made from 11 herds in 8 States.

Of the animals, 1 bull and 10 heifers were purchased for the Department, the remainder for the Sligo Artificial Insemination Station and for private interests. Total cost of cattle bought for the Department was about $42,000. All sales are contingent on the animals' passing veterinary tests now being conducted by the U.S. Department of Agriculture. For these tests, each animal is being isolated on its home farm for 2 months.

Another animal to be included in the March shipment is a bull presented to Ireland by Theodore S. Ryan of Sharon, Connecticut. This bull — Moleshill Blue Boy T. S. R.—has a pedigree that combines top U.S. strains. His sire and dam have been grand champions at the International Livestock Exposition in Chicago.

The cattle purchased by the Department and the bull presented by Mr. Ryan will be used in Irish livestock improvement programs, the heifers forming the basis of a nucleus herd embodying American strains. Arrangements are being made to establish a herd book in which the U.S. importations and their progeny will be registered.

Upon arrival in Ireland the cattle will go directly to the Government's quarantine station in Cobh Harbor. They will remain there about 4 months and be subjected to further veterinary tests.

Members of the Irish purchasing team were William Carlos, chief livestock officer; Austin Mescal, agricultural inspector; and William Crilly, superintending veterinary inspector. Mr. Carlos and Mr. Mescal were also members of a survey team that visited the United States and Canada last July and August to explore the possibilities of importing American Angus breeding cattle and line up herds to recommend to Irish breeders.

In selecting the animals to be imported, the purchasing officers of the Department paid particular attention to size and weight-gaining ability.

Rapeseed Fast Becoming Major Source of Vegetable Oil in Canada

Oilseed experts predict that rapeseed will become the major supply source for vegetable oils in Canada in a few years. Supporting this prediction is a sizable shift toward use of rapeseed for oil over the past 10 years.

In 1956, soybean and cottonseed oils accounted for practically all of Canada's consumption of vegetable oils, but by 1965, almost half the 400 million pounds required by the domestic market were supplied by other oils. Soybean oil accounted for 41 percent; rapeseed oil, 22; cottonseed oil, 10; and coconut, corn, palm, peanut, and sunflower seed oils, a total of 27 percent.

Scientific research

Increased production and utilization of rapeseed has followed advancements in development of higher quality oil varieties, sophistication of the crushing and refining industries, and research into the toxicity of the residual protein meal. If the technological revolution taking place in the rapeseed industry continues for a few more years, rapeseed may well surpass soybean oil, which is now the major supply source.

Rapeseed oil also appears likely to increase the rate at which vegetable oils reduce the portion of the oil market traditionally supplied by animal origin oils.

Record 1966 output

The Dominion Bureau of Statistics recently revised its estimate of 1966 rapeseed production to a record 25.5 million bushels, a gain of 3 million bushels over the 1965 harvest, and a marked increase over the 9.9-million average in the preceding 10 years.

The average oil content of rapeseed is now reported to be 44.8 percent, while the protein content of the residual oil-free meal is generally lower than in 1965. The average bushel weight is 54 pounds. A major quality factor this year is contamination of the rapeseed with small weed seeds. But, like last year's crop, nearly 96 percent is expected to grade No. 1 Canada Rapeseed, according to the findings of the Board of Grain Commissioners' Research Laboratory in Winnipeg.

Year-end stocks in licensed storage facilities and seed available for delivery totaled 3.4 million bushels. Combined with current production, the total supply of rapeseed is 29 million bushels, exceptionally high compared with rapeseed supplies of the last few years.

Exports higher

By December 1, crop year exports reached 3.1 million bushels compared with 2.2 million the previous year, and total foreign sales are expected to continue higher for the remainder of the crop year. The domestic market for the oilseed is also expanding with increasing demands for the oil for use in salad oil preparations, margarine base stock, and vegetable shortenings. —R. H. ROBERTS

U.S. Agricultural Attaché, Ottawa

IDB Loan to Guatemala

The Inter-American Development Bank has approved a $9-million loan to Guatemala for building or improving some 35 farm access roads. Guatemala will carry out the project through the General Roads Bureau of the Ministry of Communications and Public Works.

Some 21 roads, totaling 195 miles, will be completely new; the other 14 roads, totaling 198 miles, will either be completed or improved. Total cost of the highway project is estimated at $14 million. The Bank is providing 64 percent of the sum and the Government of Guatemala, the remaining 36 percent.

The project will enable Guatemala to improve its existing southern network of roads. At the present time, these roads, many of which are gravel, are inadequate to handle the increasing volume of cotton, rubber, meat, and cattle being shipped to Guatemala City and to the nation's Pacific Coast ports.

Canada Imports Butter to Supplement Low Stocks

The Canadian Dairy Commission has purchased 1000 long tons of butter from the New Zealand Dairy Board for February delivery to Vancouver.

According to the Canadian Department of Agriculture, the butter will supplement holdings of the Agricultural Stabilization Board to meet deficits in winter butter supplies in western Canada. There had been suggestions for some time that imports would be required before the end of the present winter, but a decision in this respect was delayed until it was clear that some butter imports would be necessary.

Stocks lowest in 15 years

Stocks in butter in storage in Canada are the lowest since 1951 and 1952, the last years butter was imported in quantity. The shortage would normally be met with butter purchased during the previous spring and summer by the Stabilization Board. The continuing availability of Board butter at a fixed price is the stabilizing influence in the butter market.

Government stocks are approximately 20 million pounds lower than they were a year ago. The slight increase in production in recent weeks, coupled with reserves, will not be sufficient to insure that demand can be adequately supplied and substantial price increases avoided during the remainder of the winter.

Stable prices are aim

Supplementing Canadian supplies under these circumstances will make possible, in the interests of producers, a continuation of present consumption levels of butter. In the interests of consumers, the Commission said, it will make possible a continuation of stable prices.

Agricultural organizations have urged that steps be taken, as necessary, to insure adequate supplies and that any imports be made through a government agency. Canadians consume about 350 million pounds of butter a year. The scheduled importation of 2.2 million pounds represents less than 1 percent of Canada's annual requirements.

The Canadian trade assumes the price will be about 40 cents per pound, delivered Vancouver.

—R. H. ROBERTS

U.S. Agricultural Attaché, Ottawa

Tariff Classification of U.S. Turkey Rolls

In its December 1966 meeting, the Customs Co-operation Council in Brussels advised members, in particular the United Kingdom, that precooked turkey rolls should remain classified under the Brussels Tariff Nomenclature (BTN) 16.02—"other prepared or preserved meat."

This opinion was rendered after the Council was asked to settle a dispute over the classification between U.K. customs officials and importers of U.S. turkey rolls. U.K. officials had proposed reclassifying turkey rolls under 16.01—"sausage and the like"—which carries a substantially higher import duty. The U.K. duty on BTN 16.01 is 20 percent ad valorem against only about 3½ cents per pound on BTN 16.02. With U.K. importers paying $1.04 to $1.20 per pound for U.S. turkey rolls, this action would have increased the duty nearly 20 cents per pound.

Last year, U.K. imports of precooked and canned poultry meat from the United States totaled about 4 million pounds.

U.K. Importing Less Nonfat Dry Milk

In the first 9 months of 1966, the United Kingdom's imports of nonfat dry milk—39 million pounds—were little more than half of those in the comparable 1965 period. In spite of increased trade with most of the other major suppliers, a sharp reduction in shipments from New Zealand—from 32 million pounds to 17 million pounds—accounted for most of this decline.

U.K. exports of nonfat dry milk in the first 3 quarters of 1966 totaled 38 million pounds, 29 million more than in the same 3 quarters of 1965. Sales to most of the major markets were considerably larger, particularly those to Denmark, 24 million pounds (2 million in the 1965 period); and the Netherlands, 15 million (470,000).

Imports of dry whole milk were up 2 million pounds to 38 million, more than half of which came from Austria. Among other suppliers were Ireland, Finland, Australia, and New Zealand.

Exports of dry whole milk, at 12 million pounds, showed little change from the earlier year. Ceylon took 3 million pounds; Malaysia, 2 million; and countries in Africa, most of the remainder.

France Exports More Butter, Imports Less

During the first 9 months of 1966, France's exports of butter increased 56 percent to 53 million pounds. Sales to almost all of the more important markets were appreciably larger.

Italy expanded its purchases from 4 million pounds to 14 million. Exports to West Germany of 12 million pounds were up 15 percent. Shipments to Chile and Morocco—approximately 4 million pounds each—were considerably larger that those of a year earlier. Hungary became an important market, also taking 4 million pounds. Only the United Kingdom among the major outlets reduced its purchases in this period—to 4 million pounds from 8 million in the same period of 1965.

French imports of butter decreased sharply from 35 million pounds to 6 million. There were no shipments from the United States, which last year supplied 23 million pounds, or 66 percent of all butter received during January-September 1965. Imports from West Germany, at 5 million pounds, were 3 million pounds below last year's level. Austria, Denmark, and Sweden shipped small quantities which together totaled about 1 million pounds.

Greek Government Purchases Olives

As a price support measure, the Greek Government has decided to purchase 5,500 short tons of black edible olives—the largest such program to date for this item.

Prices, based on size, have been established for fruit with a maximum tolerance of 10 percent damage or blemish and are as follows:

Number of olives per pound:	Cents per pound
To 57	15.86
58-70	14.35
71-84	13.59
85-95	12.84
96-104	12.08
105-118	11.33
119-136	9.82
137-159	8.31

Purchases will be carried out for the government by the olive growers cooperative, Eleourgiki, and will be based on the number of olive trees owned, as follows:

Government purchases	*Pounds*
30-100	1,102
101-200	2,205
201-500	3,307
501-1,000	5,512
Over 1,000	6,614

Iran Has Record Pistachio Crop

The 1966 Iranian pistachio crop is estimated at a record 16,500 short tons in-shell basis—up nearly 100 percent from the 1965 crop of 8,300 tons and 166 percent from the 1960-64 average of 6,200 tons. There is also reported to be a bumper crop in Turkey, Iran's leading competitor in the export market.

In spite of the large crops, export prices are being maintained at a relatively high level in Iran by means of a price agreement between Turkey and Iran. This has slowed sales somewhat because of buyer resistance to the high price level.

Iran's pistachio exports totaled 6,668 short tons in-shell basis during the Iranian year 1344 (ending Mar. 20, 1966). This was well above the 4,940 tons sold in 1964-65 and the 1963-64 shipments of 3,770 tons. As usual, less than 2 percent of the exports consisted of shelled nuts. The United States bought 70 percent of the 1965-66 total as against 65 percent in the previous 2 years.

Syrian Cotton Crop Revised Downward

The 1966-67 cotton crop in Syria, according to the second official estimate of the Syrian Cotton Bureau, totaled 620,000 bales (480 lb. net), down 25 percent from the record crop of 825,000 bales in 1965-66. The decline, primarily due to a decrease in planted area, was also in part attributed to unfavorable weather in some areas and flooding in others.

Export sales of current-crop cotton totaled about 420,000 bales through December. Current c.i.f. offering rate for saw-ginned cotton classing SM 1-1/16" in North European import markets is about 27.90 U.S. cents per pound, slightly below rates for comparable U.S. cotton.

Cotton Crop in Peru Larger

The 1966-67 cotton crop in Peru is estimated at 550,000 bales (480 lb. net), somewhat higher than the 1965-66 crop of 535,000 bales.

The area sown to the 1966-67 Tanguis crop (harvest will begin in February) was reportedly 10 to 20 percent less than a year ago, but favorable growing conditions, adequate irrigation water, and an effective insect control program point the way to a Tanguis crop nearly as large as the 1965-66 outturn of 355,000 bales. Production of extra-long staple varieties in 1966-67 (harvested Aug.-Oct. 1966) totaled 215,000 bales, well above the previous season's 180,000 bales.

There currently continues to be intense competition from food crops for the cotton area in Peru; however, cotton prices are currently higher than a year ago and may serve as an incentive to check the decline in Peruvian cotton area.

Exports of cotton from Peru in 1965-66 (August-July) were 518,000 bales, 11 percent above the 468,000 bales exported a year earlier. Exports to principal destinations in 1965-66, in 1,000 bales (comparable 1964-65 figures in parentheses), were Argentina 62 (75), Chile 62 (50), the United Kingdom 54 (42), Belgium 53 (40), West Germany 45 (51), Japan 36 (31), France 31 (17), the Netherlands 30 (32), Venezuela 29 (21), Italy 25 (13), the United States 20 (20), Switzerland 19 (14), and Uruguay 9 (9).

Stocks on August 1, 1966, are estimated at 320,000 bales, about 80,000 bales lower than a year earlier. Consumption in 1965-66 was 95,000 bales and is expected to be around 100,000 in the current season.

U.S. Exports of Soybeans and Products

Soybean exports from the United States in September-November of the 1966-67 season totaled 75.4 million bushels. This was slightly below the record in the same period a year ago.

Edible oil exports (soybean and cottonseed oil) in October-November (including foreign donations) totaled 111.2 million pounds, 23.0 million less than in the same months last season. The decline reflects a sharp drop in cottonseed oil exports; exports of soybean oil rose moderately.

Cake and meal exports in October-November 1966 total 473,200 short tons, 13 percent below the record for the same months in 1965. Soybean meal exports to West Germany, France, and the Netherlands accounted for over half of the total.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and country of destination	Unit	November 1965[1]	November 1966[1]	Sept.-Nov. 1965-66[1]	Sept.-Nov. 1966-67[1]
SOYBEANS					
Japan	Mil. bu.	7.0	9.1	17.2	19.3
Netherlands	do.	5.9	6.8	9.8	10.2
Germany, West	do.	5.3	5.4	10.0	9.3
Canada	do.	2.9	2.9	8.9	9.1
Italy	do.	3.6	3.6	6.1	6.0
Spain	do.	1.9	2.4	4.1	5.8
Others	do.	12.8	10.4	20.4	15.7
Total	do.	39.4	40.6	76.5	75.4
Oil equivalent	Mil. lb.	432.2	446.2	839.8	828.1
Meal equivalent	1,000 tons	925.0	955.1	1,797.4	1,772.4

EDIBLE OILS		November		Oct.-Nov.	
Soybean:[2]		1965[1]	1966[1]	1965-66[1]	1966-67[1]
Tunisia	Mil. lb.	4.1	18.0	7.7	18.4
Burma	do.	0	2.2	0	15.5
India	do.	([3])	4.4	.8	7.8
UAR, Egypt	do.	([3])	7.0	1.1	7.0
Canada	do.	2.2	3.3	4.0	6.1
Vietnam, South	do.	0	5.9	0	5.9
Israel	do.	3.6	2.9	3.6	5.8
Peru	do.	.1	2.8	2.7	3.0
Panama	do.	.8	1.4	.8	2.9
Others	do.	30.1	17.6	57.5	26.6
Total soybean	do.	40.9	65.5	78.2	99.0
Cottonseed:[2]					
Venezuela	do.	4.0	3.2	7.8	5.5
UAR, Egypt	do.	0	([3])	0	3.5
Canada	do.	5.0	.5	9.7	.8
Dominican Republic	do.	.6	.8	.6	.8
Taiwan	do.	0	.5	0	.5
Ecuador	do.	([3])	.1	([3])	.1
Japan	do.	1.4	.1	2.2	.1
Others	do.	26.9	.6	35.7	.9
Total cottonseed	do.	37.9	5.8	56.0	12.2
Total oils	do.	78.8	71.3	134.2	111.2
CAKES AND MEALS					
Soybean:	1,000				
Germany, West	tons	66.7	50.7	79.3	86.1
France	do.	46.4	41.9	76.2	69.7
Netherlands	do.	41.6	31.4	61.9	54.6
Canada	do.	29.5	31.5	47.8	51.6
Belgium	do.	21.2	18.2	30.2	33.3
Italy	do.	24.7	17.0	34.7	32.0
United Kingdom	do.	9.1	12.0	15.1	26.6
Denmark	do.	13.1	8.0	21.6	14.9
Hungary	do.	0	0	0	8.1
Switzerland	do.	1.7	3.5	4.4	7.2
Others	do.	45.0	20.9	73.0	29.5
Total	do.	299.0	235.1	444.2	413.6
Cottonseed	do.	25.2	.1	48.9	4.3
Linseed	do.	23.0	29.3	44.8	53.2
Total cakes and meals[4]	do.	352.6	266.1	544.2	473.3

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening under Title II and Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

CORRECTION: "Highlights of the Agriculture and Trade of the Ivory Coast," December 5, 1966, issue, carries some inaccuracies. The last line in the section entitled "Agriculture" should read "exporters of palm oil and palm kernels." Under "Foreign Trade," (3d line), substitute 72 percent for 85 percent, $216 million for $256 million, and (5th line) $130 million for $170 million.

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Highlights of the Agriculture and Trade of the United Arab Republic (Egypt)

Resources:—Egypt has an area of 386,000 square miles, about equal to Texas and New Mexico combined. Only 3 percent of this is significant for agricultural purposes; the remainder is desert. Multiple cropping is practiced and the country's cultivable area of 6.5 million acres produces 10.6 million acres of harvested crops annually. The Suez Canal, which now earns in excess of $250 million per year, and tourist attractions must be listed with agriculture as major resources.

Egyptian population has doubled in the last 3 decades, reaching 31 million by 1967. With increased industrial development that portion employed in agriculture is declining, now amounting to 60 percent of the total. Gross National Product in 1965 was $4.8 billion, or $164 per person.

Agriculture:—Egyptian agriculture is quite progressive; farming is intensive and depends on irrigation. Cotton is the most important commercial crop; but rice and onions are important export crops. Wheat, rice, corn, and pulses are the main food crops. Livestock products contribute one-fifth of farm income.

During the 1950's agricultural production barely kept pace with population growth, but since then it has increased somewhat more rapidly than population. According to the USDA index, agricultural production in 1966 was 20 percent above the 1957-59 average. Gains should be made in the near future as the cultivated and irrigated area is expanding by 1.2 million acres with the completion of the High Aswan Dam—now scheduled for early 1968.

Egyptian agriculture is subjected to strict governmental control. Land reform, reclamation, and crop diversification have been undertaken to expand food production and export crops.

Food situation:—Lacking in both variety and abundance, the diet of most Egyptians is largely grains and other starchy foods. Average daily caloric intake in 1959-61 was 2,300 per capita; availability increased to approximately 2,500 calories during the 1962-65 period. Most vegetables, fruits, sugar, and oilseeds come from domestic production. But substantial quantities of bread grain, meat, and dairy products are imported. The growing demand for imported foods has been largely confined to the country's two largest cities—Cairo and Alexandria. Unlike urban areas where wheat is the main staple food, corn makes up the larger part of the rural diet. The country was estimated as about 75 percent self-sufficient in 1965.

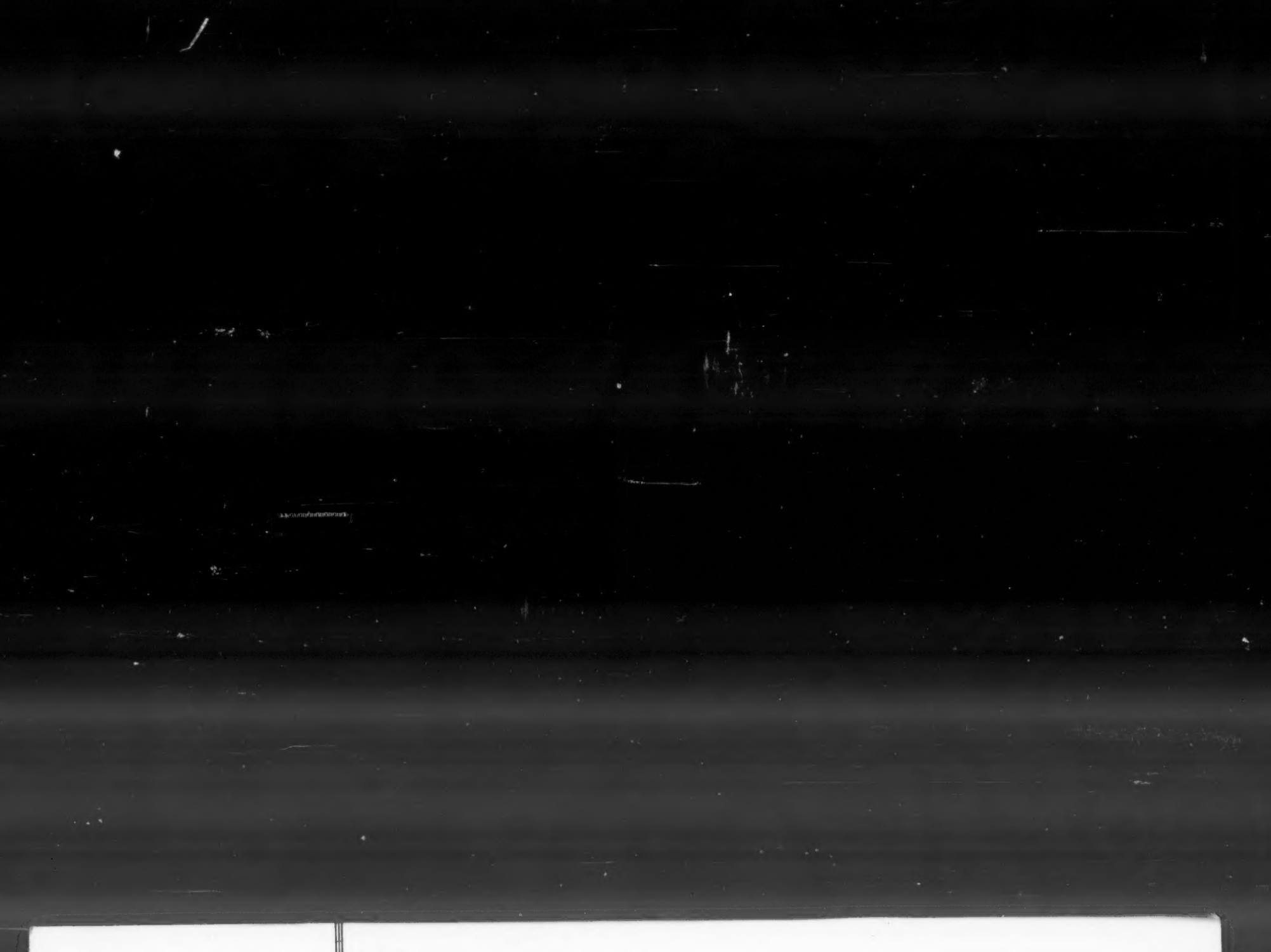
Foreign trade:—By value, over 80 percent of all exports are agricultural—mainly long and extra-long staple cotton, rice, and onions. The agricultural portion of the total, amounting to approximately $420 million in 1965, has declined during the last decade as more manufactured and semimanufactured goods have been exported. Since 1956 most of the cotton has gone to the Eastern Bloc under barter or other trade arrangements.

As Egypt's balance of trade is very unfavorable the government favors importation of essential materials and capital goods over consumer goods. Imports were valued at $934 million in 1965 and farm products, mainly wheat, wheat flour, tea, tobacco and livestock products, accounted for one-third. Imports of wheat (and flour in terms of wheat) in 1954 were less than 80,000 tons, but by 1965 these imports had increased to 2.1 million tons.

Agricultural trade with U.S.:—Since 1960 most of Egypt's food deficits have been met by shipments from the United States under the P.L. 480 program. The latest agreement between the two countries expired June 1966. U.S. agricultural exports to Egypt in 1965—mainly grains, tobacco, tallow, and vegetable oils—were valued at $97 million, a small portion of it for cash.

Agricultural items were roughly one-half of the $17 million in U.S. imports from Egypt in 1965—mostly extra-long staple cotton.

Factors affecting agricultural trade with the U.S.:—Prospects of expanding the present small dollar market for U.S. farm products are not good; Egypt has few dollars and limited opportunity for earning more. The prevailing exchange control system tends to conserve foreign exchange earned from hard-currency areas and to balance trade with countries with which Egypt has bilateral trade agreements.

Egypt is not a member of GATT. It is a signatory to the multilateral trade and transit agreement among the Arab League States, which provides duty-free entry for certain agricultural products from other member countries. Otherwise, a single column tariff is applied to all imports.

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Foreign Regional Analysis Division
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